



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Lori Mitchell

SUBJECT: SEE BELOW

DATE: September 1, 2020

Approved

Date

9/2/20

INFORMATION

**SUBJECT: Q2 2020 (Q4 FY 2019-2020) SAN JOSE CLEAN ENERGY POWER
PROCUREMENT AND REGULATORY COMPLIANCE REPORT**

BACKGROUND

On November 7, 2017, Council approved an ordinance to add Title 26 to the San José Municipal Code to provide procedures for the operation and management of San José Clean Energy (SJCE).

In accordance with Section 26.30.020 of the Municipal Code, the Director of the Community Energy Department shall submit all reports, plans and data required to comply with SJCE's regulatory requirements. On a quarterly basis, the Director shall provide reports to the City Council listing the plans and reports submitted in the past quarter to the various regulatory agencies. Each quarterly report shall be submitted no later than 45 days following the end of the previous quarter. The quarterly report required in this Section may be combined with the quarterly reporting required in Section 26.50.040. The deadline to submit this memo was slightly delayed this quarter due to competing priorities and a staff vacancy.

In accordance with Section 26.50.040, the Director of the Community Energy Department is to submit quarterly reports to the City Council summarizing the number of Short Term Transactions and the total cost of those transactions during the previous quarter.

ANALYSIS

Regulatory Compliance

Between April 1, 2020 and June 30, 2020, SJCE submitted 26 compliance filings with state, federal, and non-profit regulatory organizations to meet its regulatory obligations.

Attached to this memorandum is a list of these compliance filings.

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During the time period of April 1, 2020 and June 30, 2020, SJCE has also participated in nine California Public Utility Commission (CPUC) regulatory proceedings, including the Integrated Resource Planning (IRP) rulemaking (R. 16-02-007), the Power Charge Indifference Adjustment rulemaking (R. 17-06-026), the Resource Adequacy rulemaking (R. 17-09-020), the Pacific Gas and Electric Company's (PG&E) 2020 Energy Resource Recovery Account (A.19-06-001), the Pacific Gas and Electric Company's (PG&E) General Rate Case application (A. 18-12-009), the Microgrid rulemaking (R.19-09-009), the De-energization Proceeding (R.18-12-005), the Wildfire Mitigation Plan Proceeding (R.18-10-007), and the Direct Access Proceeding (R.19-03-009).

Power Procurement

SJCE entered into 32 agreements during the fourth quarter of FY 2019-2020. SJCE entered into 29 purchase agreements worth a total of \$326,213,807.10, including a long-term solar power purchase agreement and a medium-term resource adequacy contract. Power sales accounted for three agreements worth \$191,675.00. The net cost for the 32 agreements to SJCE is \$326,022,132.10.

SJCE does not intend to purchase more power supplies than it needs. Resource Adequacy (RA) procurement has been challenging. SJCE bought some annual supplies that are more than our need in some months to comply with our summer load requirements with the intention of selling the excess to the extent possible. In Q4 FY 2019-2020, SJCE entered into three agreements to sell excess Resource Adequacy.

Attached to this memorandum is a list of these agreements.

/s/
LORI MITCHELL
Director, Community Energy Department

For questions, please contact Lori Mitchell, Director of Community Energy Department, at (408) 535-4880.

Attachment 1: San José Clean Energy Q2 2020 (Q4 FY 2019-2020) Power Transactions

Attachment 2: San José Clean Energy Q2 2020 (Q4 FY 2019-2020) Compliance Filings

ATTACHMENT 1 - San José Clean Energy Q2 2020 (Q4 FY 2019-2020) Power Transactions

PURCHASES

#	Contract ID	Agreement Date	Counterparty	Energy Type	Power Delivery Period	Contract Amount
1	20-108-04	4/14/2020	Calpine Energy Services L.P.	Renewable	2020	\$ 1,550,000.00
2	20-112-10	4/14/2020	Public Service Company of Colorado	Conventional Power	2022-2023	\$ 14,944,560.00
3	20-112-11	4/14/2020	Nextera Energy Marketing, LLC	Conventional Power	2022	\$ 7,566,450.00
4	20-112-12	4/14/2020	DTE Energy Trading, Inc.	Conventional Power	2023	\$ 7,522,650.00
5	20-112-13	4/14/2020	ConocoPhillips Company	Conventional Power	2021	\$ 997,360.00
6	20-112-14	4/14/2020	Direct Energy	Conventional Power	2021	\$ 442,300.00
7	20-112-15	4/21/2020	DTE Energy Trading, Inc.	Conventional Power	2022	\$ 7,654,050.00
8	20-112-16	4/21/2020	NRG Power Marketing LLC	Conventional Power	2021	\$ 3,435,330.00
9	20-112-19	6/2/2020	NRG Power Marketing LLC	Conventional Power	2020	\$ 639,980.00
10	20-112-20	6/9/2020	Direct Energy	Conventional Power	2020	\$ 667,475.00
11	20-112-21	6/11/2020	NRG Power Marketing LLC	Conventional Power	2020	\$ 668,495.00
12	20-113-07	4/10/2020	Calpine Energy Services L.P.	Resource Adequacy	2021	\$ 585,000.00
13	20-113-08	4/10/2020	Calpine Energy Services L.P.	Resource Adequacy	2021	\$ 1,287,000.00
14	20-113-09	6/30/2020	Calpine Energy Services L.P.	Resource Adequacy	2023-2029	\$ 63,000,000.00
15	20-113-10	4/10/2020	City and County of San Francisco, acting by and through its Public Utilities Commission, CleanPowerSF	Resource Adequacy	2020	\$ 14,091.00
16	20-113-14	6/1/2020	The Energy Authority	Resource Adequacy	2022-2023	\$ 4,017,310.00
17	20-113-15	6/12/2020	Exelon Generation Company, LLC	Resource Adequacy	2020	\$ 300,000.00
18	20-113-16	4/17/2020	California Choice Energy Authority	Resource Adequacy	2020	\$ 564,000.00
19	20-113-17	5/29/2020	Calpine Energy Services L.P.	Resource Adequacy	2020	\$ 360,000.00
20	20-113-18	5/5/2020	Calpine Energy Services L.P.	Resource Adequacy	2020	\$ 11,250.00
21	20-113-19	4/30/2020	Pioneer Community Energy	Resource Adequacy	2020	\$ 48,000.00
22	20-113-20	5/5/2020	Pacific Gas and Electric Company	Resource Adequacy	2020	\$ 302,580.00
23	20-113-21	6/5/2020	City of Roseville Electric Utility	Resource Adequacy	2020	\$ 75,350.00
24	20-113-22	5/5/2020	3 Phases Renewables Inc.	Resource Adequacy	2020	\$ 22,000.00
25	20-113-23	6/4/2020	TransAlta Energy Marketing (U.S.) Inc.	Resource Adequacy	2020	\$ 329,300.00
26	20-113-24	6/15/2020	Southern California Edison	Resource Adequacy	2020	\$ 99,900.00
27	20-113-26	6/2/2020	AES Redondo Beach, LLC	Resource Adequacy	2021-2023	\$ 16,731,570.00
28	20-113-28	5/29/2020	Silicon Valley Clean Energy	Resource Adequacy	2020	\$ 145,812.50
29	20-123-01	4/22/2020	Edwards Solar IV, LLC	Renewable	2020-2033	\$ 192,231,993.60
						\$ 326,213,807.10

SALES

#	Contract ID	Agreement Date	Counterparty	Energy Type	Power Delivery Period	Contract Amount
30	20-199-04	4/10/2020	City and County of San Francisco, acting by and through its Public Utilities Commission, CleanPowerSF	Resource Adequacy	2020	\$ (40,000.00)
31	20-199-05	5/5/2020	Calpine Energy Services L.P.	Resource Adequacy	2020	\$ (11,250.00)
32	20-199-07	5/29/2020	Silicon Valley Clean Energy	Resource Adequacy	2020	\$ (140,425.00)
						\$ (191,675.00)

Net Cost
\$ 326,022,132.10

Attachment 2 - San José Clean Energy Q2 2020 Compliance Filings
As of 06/30/2020

#	Frequency	Topic	Deliverables	Jurisdiction	Due	Status
1	M	CRRs	June 2020 Load Forecast for CRR Allocations	CAISO	4/9/2020	Completed 4/9/20
2	M	RA	June T-45 RA	CPUC & CEC	4/17/2020	Filed 4/16/20
3	M	RA	June RA Month-Ahead Waiver Request	CPUC	4/17/2020	Filed 4/16/20
4	M	RA	July Load Migration Forecast	CPUC & CEC	4/17/2020	Filed 4/16/20
5	M	RA	June T-45 RA	CAISO	4/17/2020	Filed 4/16/20
6	A	RA	2021 Load Forecast for Year-Ahead RA	CPUC & CEC	4/20/2019	filed 4/20/20
7	A	AMI	AMI Data Privacy Annual Report	CPUC	4/29/2020	Filed 4/30/20
8	A	EIA	Annual 861 Filing (2019)	EIA	4/30/2020	Filed 4/30/20
9	M	EIA	March 861 filing (accounts, load, revenue)	EIA	4/30/2020	Filed 4/27/20
10	A	Officer	Annual Officer Certification Form	CAISO	4/30/2020	Filed 4/30/20
11	Q	Energy Surcharge	Q1 2020 Energy Resources Surcharge Return & Payment due	CDTFA	4/30/2020	Completed 4/23/20
12	Q	Credit Agreement	Reporting of customers served and energy delivered	Barclays	4/30/2020	Completed 4/23/20
13	M	CRRs	July 2020 Load Forecast for CRR Allocations	CAISO	5/7/2020	Filed 5/6/20
14	Q	QFER	Q1 2020 1306B – QFER (accounts, load, revenue)	CEC	5/15/2020	Submitted 5/14/2020
15	M	RA	July T-45 RA (with local and flex true-up)	CPUC & CEC	5/18/2020	Filed 5/17/20
16	M	RA	July RA Month-Ahead Waiver Request	CPUC	5/18/2020	Filed 5/18/20
17	M	RA	August Load Migration Forecast	CPUC & CEC	5/18/2020	Filed 5/17/20
18	M	EIA	April 861 filing (accounts, load, revenue)	EIA	5/29/2020	Filed 5-29-20
19	A	GHG	2019 Retail Load Reporting for MRR	CARB	6/1/2020	Filed 5-26-20
20	Q	PCIA	Supplemental Data Request No. ED-PCIA-19-3	CPUC	6/2/2020	Submitted 5/20/20
21	M	CRRs	August 2020 Load Forecast for CRR Allocations	CAISO	6/11/2020	Submitted 6/11/20
22	M	RA	August T-45 RA (with local and flex true-up)	CPUC & CEC	6/17/2020	Submitted 6/17/20
23	M	RA	August RA Month-Ahead Waiver Request	CPUC	6/17/2020	Submitted 6/17/20
24	M	RA	September-December Load Migration Forecast	CPUC & CEC	6/17/2020	Submitted 6/15/20
25	M	RA	August T-45 RA	CAISO	6/17/2020	Submitted 6/17/20
26	M	EIA	May 861 filing (accounts, load, revenue)	EIA	6/30/2020	Submitted 6/30/20

Key	
AMI	Advanced Metering Infrastructure
CAISO	California Independent System Operator
CAM	Cost Allocation System
CARB	California Air Resources Board
CDTFA	California Department of Tax and Fee Administration
CEC	California Energy Commission
CPM	Capacity Procurement Mechanism
CPUC	California Public Utilities Commission
CRR	Congestion Revenue Rights
CRS	Center for Resource Solutions
EIA	Energy Information Administration
ERRA	Energy Resource Recovery Account
GHG	Greenhouse Gas
IRP	Integrated Resource Plan
PCIA	Power Charge Indifference Adjustment
PSD	Power Source Disclosure Program
QFER	Quarterly Fuel Energy Report
RA	Resource Adequacy
RMR	Reliability Must-Run
RPS	Renewable Portfolio Standard